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To: Local Public Health Departments and Contracting Agencies

From: Sandy Breitborde, Deputy Administrator, Division of Public Health

RE: 2013 Contracting – Allocation Estimates

As we enter the 2013 contracting season, we continue to face significant fiscal challenges. At the state level, the 10% GPR reductions implemented in FY 2012 under the provisions of 2011 Act 32 will continue for FY 2013. The following gives guidance on the fiscal allocation levels, the negotiation process, the expenditures reporting process, and some general updates.

Fiscal Allocations

Fiscal allocation information will be provided in two ways. This memo provides general information about anticipated CY 2013 funding levels for each program. Once pre-packets are approved, we enter the dollar amounts into the GAC system and then notify you. Please inform your DHS Regional Office Director by August 17, if you intend to refuse program funds that you have accepted in the past.

Consolidated - Federal Funded Program Allocations

MCH	Expecting level funding over FFY12.
Immunization	Expecting level funding over FFY12.
Radon	EPA has eliminated funding for FFY13.
Oral Health	The HRSA funds for Children's Health Alliance will end August 31, 2012. However, GPR and Delta Dental funding will continue.

Consolidated - State Tax Funded Program Allocations

Oral Health	School Fluoride Mouthrise, expect level funding over SFY12. Flouride Supplement, expect level funding over SFY12.
Lead Poisoning Prevention	Expect level funding over SFY12; due to staffing limitations and the low levels of funding for most agencies, DPH will not be negotiating lead grants this year. Agencies should continue to maintain records of how their funding was used. Quarterly and final reporting will not be required. DPH will evaluate this change prior to next year's contracting planning period.
WWWP	Expecting level funding over SFY12.

Separate Contracts

Tobacco Control	Expect level funding over SFY12.
Family Planning and Repro Health	Individual awards will depend upon demonstrated performance, quality assurance compliance, cost-effectiveness (based on cost analysis reports), and availability of MCH funding and state tax dollars. Agencies will receive allocations by September 19, the date of the DPH Women's Health-Family Planning/Reproductive Health Program provider business meeting
Public Health Preparedness	These contracts begin in August 1, 2012. Public Health Emergency Preparedness (PHEP) contracts were sent to Health Departments in July. Health departments will receive the same allocation as FFY12. Contracts are loaded into GAC, but Health Departments do not need to enter any information into GAC to receive their contract.
Cities Readiness Initiative	These contracts begin in August 1, 2012. The Cities Readiness Initiative (CRI) contracts were sent to Local Health Departments in June. All Local Health Department allocations have increased from the FFY12 contract. Contracts are loaded into GAC, but Health Departments do not need to enter any information into GAC to receive their contract.
Preventive Health and Health Services Block Grant	The local contracts will be in GAC by mid-August. Local agencies will need to enter template objective(s) in GAC and complete required information. Regional office contract administrators will provide consultation as needed and sign-off. The objectives will be for the 2012 calendar year with funding and activities allowed to be carried-over through August 2013. An electronic survey report will be due by the end of 2012 and a final report no later than August 2013 to support our reporting requirement to CDC.

Negotiation Process

It is anticipated that negotiations will begin on or around September 17 when pre-packets are approved and the dollars are entered in the GAC. Once dollars have been entered and you have been notified that the objectives are available in GAC, you can identify and enter your specific objectives into GAC. Be sure to enter detailed information whenever a template box indicates that input is “required.” Remember to highlight the name of the local contract administrator on the “General Contract Information” page of GAC for each program so that person receives notice when negotiation notes are entered. Click the email button on the “Contract Programs” page when all objectives for a program are entered. For example, when all MCH objectives have been entered, you should then select the email button and negotiations can begin.

As in years past, communication is critical to keep the process moving. If the discussion seems to be at a standstill, please pick up the phone right away and have your regional contract administrator schedule a conference call to resolve issues. DPH will once again keep you informed of contract updates through regular emails.

Reporting of Expenditures

In FY 2012, the Division of Public Health made changes to the way in which grant recipients reported expenditures for the consolidated contracts. State-funded contracts were required to be in line with approved state budgets. The requirement that grant recipients report expenditures through monthly CARS reporting rather than receiving each month an automatic 1/12 payment of the contract amount will continue. As noted in the GAC update, we are striving to put in place policies that will make claiming and reporting as simple as possible. We will, however, do our best to make the reporting as simple as possible by allowing you to claim expenditures on one form for all programs in one contract. General information on CARS reporting may be found at <http://www.dhs.wisconsin.gov/bfs/CARS/index.htm>.

General Updates

The Division of Public Health has been reviewing its internal structure as well as its policies and procedures. The following provides an update in areas that affect the contracts: the Regional Office Redesign; Federal Budget; Prevention Block Grant; and Grants and Contracting (GAC).

Regional Office Redesign

Two issues continually rise to the top in discussions related to the redesign – communication and contracting. Regional office staff have played a major role in the negotiation, monitoring and entry of final year-end report information associated with contracts. Each region has differences in how these functions have been assigned and completed.

The future “ideal vision” of how contracting would occur as we move forward with the redesign is under consideration and your input will be sought in developing that vision. However, we are not yet ready to implement changes related to regional office staff responsibilities for negotiation and monitoring of contracts.

For the remainder of the CY 2012 contracts and initiation of most 2013 contracts, regional offices will continue the same staff assignments related to contracting and monitoring that are currently in place. For example, although immunization staff will shift their organizational reporting to the Immunization Program, their responsibilities related to contracting will remain unchanged.

Federal Budget

Other factors that may influence the FFY 2013 budget beyond the Prevention Block Grant include the November election, as well as the potential for Sequestration that would begin in January 2013, which is targeted equally at the Department of Defense and non-defense programs. On July 18, 2012, the House Appropriations subcommittee marked up their version of the FFY2013 Labor-HHS-Education spending bill. An analysis of the bill determined that: the Prevention and Public Health Fund was eliminated; overall CDC funding was cut 12%, however, the Preventive Health and Health Services Block Grant was increased 26%; and Family Planning resources were eliminated.

The full House Appropriations Committee did not take up the FFY2013 Labor-Health and Human Services (HHS)-Education bill as expected. Consideration of the bill was postponed "indefinitely." It is unclear when and if the bill will be considered by the full Committee. It is likely that we will be in a continuing resolution process to keep the government running after the start of the new fiscal year on October 1.

Prevention Block Grant

The FFY 2013 President's Budget eliminated the Preventive Health and Health Services Block Grant. On June 15, 2012, the U.S. Senate version included \$79.5 million dollars for the PHHS Block Grant. This reflects level funding over the FFY 2012 levels. The U.S. Senate still needs to vote on their version of the federal budget and the House needs to prepare its own budget and vote on it. Both versions would then be sent to a conference committee for negotiation.

Grants and Contracting (GAC)

In January 2012, a formal DPH workgroup was formed to review our granting process for local agencies. The issue before the work group was to determine if there were changes that could be made that might result in a more efficient approach to contracting without adversely affecting quality.

The following are recommendations and DPH's next steps.

1. **Integrate GAC with State County Contracting Process (SCC) in order to have all contracts accessed through internet and connected to CARS** – *Next Steps: Begin working with the CARS Unit and officially set up website and notify grant recipients when contracts are posted there.*
2. **Use Electronic Signatures** – *Next Steps: Determine the type of signature needed and work with appropriate staff to implement this recommendation.*
3. **Establish Timelines** – *Next Steps: Provide official "calendar" of events to all parties and post to the website.*
4. **Separate Contracting and Negotiations** – *Next Steps: A small workgroup has been established to begin the task of determining the future "ideal vision" for negotiations.*
5. **Adopt a Single Contract Management System** – *Next Steps: Work with internal department partners to identify possible solutions.*

Many of these recommendations are in the early stages of implementation. Please stay tuned as we work through these recommendations and any related issues.